



Trevor Wolff & Associates

ABN: 46 289 685 014

For Taxation & Business Solutions

Phone: (07) 3396 1025

Fax: (07) 3396 1905

Email: admin@wolffaccountants.com.au

Web: www.wolffaccountants.com.au

PO Box 5131

MANLY QLD 4179

2/17 Nirimba Street

MANLY WEST QLD 4179

BUSINESS SUPPLEMENT

2012



Important Dates to Remember

14 July 2012	PAYG Statements should be issued to employees
14 August 2012	PAYG Payment Summary Report to be sent to the ATO

PAY SUPERANNUATION GUARANTEE BEFORE

28 July 2012
28 October 2012
28 January 2013
28 April 2013
28 July 2013

QUARTERLY BAS DUE

28 July 2012
28 October 2012
28 February 2013
28 April 2013
28 July 2013

It's the end of the tax year and it is time to review the performance of your business over the last 12 months.

- How does your profit look?
- Do you need deductions?
- Delaying sending out your invoices will delay that income to be taxed in the following year.
- Prepaying expenses will reduce taxable profit.
- Purchasing Tools & Equipment which cost less than \$1,000 is a good strategy.
- Pay into superannuation

Big Tax Deductions start 1 July

If you are a small business (i.e. with a turnover under \$2M):

- **HOLD OFF** buying business motor vehicles and equipment that will cost less than \$6,500 until after 1 July. The Tax Office is allowing a tax deduction in full for equipment purchases less than \$6,500. The first \$5,000 of the cost of the motor vehicle (new or used) is also tax deductible. The balance will be depreciated.

- ❖ **Entrepreneurs Tax Offset.** This year is the last year that small businesses can claim the offset.
- ❖ **Company Tax Rates** – remain unchanged at 30%. Reductions in the tax rate will not go ahead.
- ❖ **Trusts**

The tax free amount a Trust can distribute to a minor has been reduced to \$416.

Tax File Number Reporting – a report must be supplied to the Tax Office, when adding new beneficiaries, declaring their Tax File Numbers.

Trustees of Discretionary Trusts must make a Resolution in writing on how to distribute the Profits of the Trust by 30 June. The Tax Office may request a copy of this Resolution in the first two weeks of July.
- ❖ **Building and Construction Industry** – From 1 July, payments made to contractors will need to be reported to the Tax Office in July 2013. Most software suppliers are incorporating this report into their accounting software. The Tax Office is providing 45 minute Webinars on this subject – go to the ATO website – www.ato.gov.au
 - Search for “webinars”
 - Click on the first in the list – Taxable payments reporting - building & construction...
 - Go to Table 2: Business in the building and construction industry
 - Choose the date that suits you and click on “Webinar”
 - Click on “Show in my Time Zone” and select Brisbane
 - Complete registration
 - After registration, you will receive an email with further instructions.
- ❖ **Superannuation Contributions** – from 1 July 2012 the maximum concessional contribution is \$25,000 for all taxpayers. This is a reduction in the amount you can claim as a tax deduction for taxpayers over 50 years of age who, up to 30 June, could contribute a tax deductible amount up to \$50,000.
- ❖ **Superannuation Guarantee** – increased Superannuation Guarantee that you will pay on behalf of your employees will be introduced from 1 July 2013. It will gradually increase the rate from 9% to 12%. From 1 July 2013, the Super Guarantee rate will be 9.25% increasing each year to 2019/20 when the rate will be 12%.

As from 1 July 2013, Super Guarantee payments will need to be paid for employees over 70 years of age.
- ❖ **New PAYG Tax Tables** - available for 2012-2013 – pick up from your Newsagency.
- ❖ **Activity Statements – IAS or BAS** - must be completed and submitted to the Tax Office even if there has not been any activity.
- ❖ **Business Names** – the ASIC has taken control of the Registration of Business Names from the States. The advantage will be that this will limit Business Names being registered in each State and will also protect the duplication of Business Names. Another added bonus is that it will only cost \$30 to apply for a Business Name. Renewal for 1 year will be \$30 and for 3 years will be \$70 so there is a saving.
- ❖ **Job Bonus Initiative** – Employers to receive \$1,000 for taking on older Australians. The Job Bonus Initiative is set to begin on 1 July 2012. The employer can claim this Bonus when they employ an employee and retain a worker aged 50 or over for 3 months.

Do you want to know a little more about Self Managed Superannuation Funds?

On Wednesday 27 June 2012, I will be co-hosting an evening Seminar along with Steve Kovacs of the Kovacs Property Group and Glen Findlay from the Bank of Queensland. The focus will be on the ability for a Self Managed Super Fund to be able to borrow and purchase property.

Venue:	Redlands Sports Club, Anson Road, Wellington Point
Time:	6.00 pm – 7.30 pm (light refreshments will be provided)
Cost:	Free of charge
RSVP:	Jayne – 33961025 or jayne@wolffaccountants.com.au

If you are interested and cannot come on the night, please phone Jayne and we will advise you of the next seminar.

- ❖ **Directors liable for Unpaid Super Guarantee Payments** - Director's protection has been further eroded away. Starting 1 July 2011, directors will be personally responsible for unpaid super guarantee not paid for their employees. Not only unpaid super but interest calculated on the outstanding payments and penalties as well. If the company goes into liquidation, the directors are still liable.

Message from ACCC: If you put your prices up, it is an offence to blame it on the Carbon Tax. Prices may be increased due to increased costs which we will all incur.

BankLink – Our staff member, Christine Burchell, is an accredited BankLink trainer. BankLink has the ability to cut down your bookkeeping time and save you fees. If you would like to know how BankLink can help you save money, give Christine a ring on 3396 1025.

Cash Economy - Have you checked your industry results against the Tax Office benchmarks? The Tax Office has stated it would not necessarily lead to an audit if your business results do not match the ATO benchmarks, but they may require an explanation as to why your performance differs from the industry average.

You can check for your industry benchmark by going to the Australian Government Tax Website: <http://www.ato.gov.au> and type in the search engine "benchmarks" or once you are at the ATO website go to the Business tab and scroll down until you come to Small Business Benchmarks. Read the examples that apply to your business. Call me if you are having difficulties or your average is well below the benchmark. If you do not have access to the internet, I can post your industry benchmark to you.

The Tax Office has had great success in winning cases against taxpayers using independent contractors. There is no problems employing contractors but you are responsible to pay superannuation guarantee and Workcover where you pay mainly for labour (hourly rate). To protect yourself from paying superannuation and Workcover, contract an entity such as a Partnership, Company, or Trust to provide labour.

To check if your contractor falls under the guidelines of an employee, go to the Tax Office website www.ato.gov.au—Business and see the decision tool — "Are your workers employees or contractors?" If your employee supplies an ABN they still could be deemed an employee for Superannuation Guarantee purposes and Workcover.

Tax Time Savings:

1. Pay all outstanding accounts before 30 June.
2. Pay your Superannuation obligations.
3. Prepay some expenses.
4. Do you know your estimated Taxable Income? Give us your trading information and we can prepare a forecast. You may be able to make decisions for tax savings or make additional contributions to Superannuation. Please phone 3396 1025 to make an appointment.
5. Write off any obsolete stock and/or assets.
6. Review shareholders/beneficiaries loan balances.

REMINDERS:

How long since you have kept a motor vehicle log book? - To be able to claim your motor vehicle expenses, the Tax Office requires a new log book to be kept for 13 consecutive weeks every 5 years. Read your odometer reading at 30 June.

Records - All financial information (receipts, invoices, deposit books, cheque books, bank statements, credit card statements used for business, loan statements, accounting records etc) have to be kept for 5 years after you receive your assessment. Records for purchasing assets have to be kept for 5 years after the asset is no longer used in your business.

Please note: It is the policy of this firm to only lodge returns upon receipt of payment and signed declarations

Would you like help establishing and maintaining your website? The ICT Shak has made the following generous offer to the clients of Trevor Wolff & Associates. This is a genuine offer. The ICT Shak is a client of this firm.



Order Your Website Now
The ICT Shak

This coupon is valid for

\$150 OFF

Coupon Code:
TWOLFF2012PROMO

the "Upfront Cost" of all our new website packages
For details of relative packages please refer to
<http://www.theictshak.com.au/our-packages/website-packages.html>
Ph 043 2205 771 Email: margaret@theictshak.com.au
Offer exclusive to Clients of Trevor Wolff & Associates
Offer expires 30/09/2012. Not to be used with any other promotions. Conditions apply.

From time to time during the year, we will email you information that we think you may be interested in. If you do not wish to receive these emails, please advise us and we will remove you from our email list.